

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Legislative Fiscal Note

BILL NUMBER: House Bill 66 (First Edition)
SHORT TITLE: Veterans Plates/Vehicle Weight Restriction.
SPONSOR(S): Representatives Speciale, G. Martin, and Henson

FISCAL IMPACT					
(\$ in millions)					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
State Impact	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Highway Fund Revenues:	(\$0.5)	(\$0.5)	(\$0.5)	(\$0.5)	(\$0.5)
Highway Fund Expenditures:					
NET STATE IMPACT	(\$0.5)	(\$0.5)	(\$0.5)	(\$0.5)	(\$0.5)

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:
 Department of Motor Vehicles

EFFECTIVE DATE: July 1, 2017

TECHNICAL CONSIDERATIONS:
 Yes - See Technical Considerations Section

BILL SUMMARY:

Section 1 amends G.S. 20-79.7(a) to annually provide and issue free of charge a single special registration plate listed in this subsection to a person qualified to receive the plate in accordance with G.S. 20-79.4(a2) for a vehicle weighing up to 17,000lbs.

The special registration plates included in this subsection are:

- (1) Legion of Valor registration plate to a recipient of the Legion of Valor award
- (2) A 100% Disabled Veteran registration plate to a 100% disabled veteran
- (3) An Ex-Prisoner of War registration plate to an ex-prisoner of war
- (4) A Bronze Star Valor registration plate to a recipient of the Bronze Star Medal for valor in combat award
- (5) A Silver Star registration plate to a recipient of the Silver Star award

Section 2 states that this bill becomes effective July 1, 2017 and applies to special registration plates issued on or after that date.

ASSUMPTIONS AND METHODOLOGY:

A query of the Division of Motor Vehicles State Titling and Registration System (STARS) yielded a total of 26,587 eligible active plates as of December 31, 2016, see Figure 1 below. STARS data

revealed 475 new registrations from CY2013-CY2016 for vehicles >6,000lbs-17,000lbs, see Figure 2 below.

Figure 1			Figure 2		
Number of Active Plates 12/31/16			New Registrations CY2013-2016 >6,000lbs - 17,000 lbs		
BZV	Bronze Star Valor	323	BZV	Bronze Star Valor	12
DIS	Disabled Veteran	25,852	DIS	Disabled Veteran	454
LOV	Legion of Valor	9	LOV	Legion of Valor	0
POW	Prisoner of War	142	POW	Prisoner of War	0
SVS	Silver Star	261	SVS	Silver Star	9
Total		26,587	Total		475

Vehicle registration fees for vehicles >6,000lbs-17,000lbs range from \$77.50-\$304.90, see Figure 3 below for detailed information on registration fees by weight.

Figure 3

Vehicle Registration Fees	
Trucks with 7000 lbs	\$ 77.50
Trucks with 8000 lbs	\$ 88.00
Trucks with 9000 lbs	\$ 98.50
Trucks with 10000 lbs	\$ 134.00
Trucks with 11000 lbs	\$ 147.00
Trucks with 12000 lbs	\$ 160.00
Trucks with 13000 lbs	\$ 173.00
Trucks with 14000 lbs	\$ 251.80
Trucks with 15000 lbs	\$ 269.50
Trucks with 16000 lbs	\$ 287.20
Trucks with 17000 lbs	\$ 304.90

The Division of Motor Vehicles was unable to provide a STARS query on the number of total vehicles >6,000lbs-17,000lbs by plate type.

Figure 4 provides the four-year average by vehicle weight for the STARS query of new registrations from CY2013-CY2016.

Figure 4

CY2013-16 Average New Registrations					
	BZS	DIS	LOV	POW	SVS
Trucks with 7000 lbs	3%	2%	0%	0%	7%
Trucks with 8000 lbs	2%	1%	0%	0%	2%
Trucks with 9000 lbs	1%	1%	0%	0%	0%
Trucks with 10000 lbs	2%	1%	0%	0%	5%
Trucks with 11000 lbs	1%	1%	0%	0%	0%
Trucks with 12000 lbs	1%	1%	0%	0%	2%
Trucks with 13000 lbs	1%	1%	0%	0%	0%
Trucks with 14000 lbs	0%	1%	0%	0%	0%
Trucks with 15000 lbs	1%	1%	0%	0%	0%
Trucks with 16000 lbs	0%	1%	0%	0%	0%
Trucks with 17000 lbs	0%	1%	0%	0%	0%

Applying the four-year average of new registrations >6,000lbs-17,000lbs to the total number of active plates in Figure 1, provides a total fiscal loss of \$0.5M annually, see Figure 5.

For example, Figure 1 shows 25,852 active Disabled Veteran (DIS) plates. The four-year average in Figure 4 for DIS new registrations weighing 7,000lbs is 2%. Multiplying the four-year average of 2% by the number of active plates in Figure 1 yields an estimate of 517 total DIS active plates weighing 7,000lbs. The vehicle registration fee in Figure 3 for vehicles weighing 7,000lbs is \$77.50, multiplying the registration fee by the number of estimated total DIS active plates provides an estimated fiscal loss of \$40,068 (517 x \$77.50).

Figure 5 provides the calculation of the total fiscal loss applying the four-year average for all plate types amended by this bill.

Figure 5

Vehicle Weight	Fees	Plate Type					Total #	
		BZV	DIS	LOV	POW	SVS	Plates	Total Cost
Trucks with 7000 lbs	\$ 77.50	13	517	-	-	18	548	\$ 42,488
Trucks with 8000 lbs	\$ 88.00	6	259	-	-	5	270	\$ 23,778
Trucks with 9000 lbs	\$ 98.50	3	259	-	-	-	262	\$ 25,782
Trucks with 10000 lbs	\$134.00	6	259	-	-	13	278	\$ 37,256
Trucks with 11000 lbs	\$147.00	-	259	-	-	-	259	\$ 38,002
Trucks with 12000 lbs	\$160.00	-	259	-	-	5	264	\$ 42,198
Trucks with 13000 lbs	\$173.00	-	259	-	-	-	259	\$ 44,724
Trucks with 14000 lbs	\$251.80	-	259	-	-	-	259	\$ 65,095
Trucks with 15000 lbs	\$269.50	6	259	-	-	-	265	\$ 71,412
Trucks with 16000 lbs	\$287.20	-	259	-	-	-	259	\$ 74,247
Trucks with 17000 lbs	\$304.90	-	259	-	-	-	259	\$ 78,823
Total		36	3,102	-	-	42	3,180	\$543,806

Given the limited information provided by the STARS query the total fiscal impact could be higher if vehicle registrations for the plates effected by this bill increase in future fiscal years.

Any impact to DMV operations is assumed to be nominal.

SOURCES OF DATA: Division of Motor Vehicles

TECHNICAL CONSIDERATIONS: The bill as currently written is unclear on whether or not special registration plates for Bronze Star (BZS) or Silver Star Disabled Veteran (SSD) are included. Due to the updates required to the State Titling and Registration System (STARS), DMV estimates it will not be able to implement the changes presented in this bill until February 1, 2018.

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Fiscal Research Division

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